

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**RE: PETITION OF BAY STATE GAS COMPANY
TO INCUR LONG-TERM DEBT OF UP TO \$50,000,000**

DTE 02-73

**PETITION TO INTERVENE OF LOCAL 273, UTILITY WORKERS UNION OF
AMERICA, AFL-CIO**

Local 273, Utility Workers Union of America, AFL-CIO (“Local 273”) hereby petitions to intervene in the Department’s investigation into the petition filed by the Bay State Gas Company to incur long-term debt of up to \$50 million. In support of this motion and in accordance with 220 CMR 1.03 and G.L. c. 30A, § 10, Local 273 states:

1. Local 273 is located in Brockton, Massachusetts. It has no physical office but maintains a mailing address at 132 Ferncrest Drive, Taunton, MA 02780. Local 273 is currently the collective bargaining agent for approximately 200 physical and clerical workers of the Brockton division of Bay State Gas Company (“Bay State” or “Company”), representing a decline of approximately 60 physical and clerical workers from the levels prevailing as recently as 1997. The members of Local 273 are substantially and specifically impacted by Bay State’s financial health and financing arrangements, including the financing proposed in this case. Local 273 attributes much of the decline in its membership, and a comparable decline in non-union staffing

levels, to the financial challenges Nisource, Inc., Bay State's parent company, faces as a result of various mergers and financing arrangements.

2. The Department has allowed Local 273 to intervene in a number of the Company's prior cases, including DPU 97-24, DPU/DTE 97-97, and DTE 98-31.
3. Local 273 intends to conduct discovery testing the assumptions and conclusions included in Bay State's petition; to cross-examine Company witnesses; make oral arguments; and file a brief in this proceeding. Local 273 also reserves the right to present witnesses and otherwise participate in all aspects of this proceeding.
4. At this stage of the proceeding, Local 273 states its general contention that Bay State has presented nothing other than assumptions and unverified opinion to support its conclusions that an interest rate of 7.75% is a favorable rate compared to the market and that the proposed \$50 million financing is in the best interests of Bay State's ratepayers. Further, the Company has not provided sufficient evidence to justify a waiver of the requirements of G.L. c. 164, § 15 that it "invite proposals for the purchase" of the bonds to be offered, especially in light of the fact that the Company proposes to sell the bonds to an affiliate of its financially-troubled parent company. Local 273 intends to explore whether this less-than-arms-length transaction will unduly enure to the benefit of Nisource Finance Corp. and Nisource, Inc. at the expense of Bay State ratepayers.
5. Many of the members of Local 273 reside in the service territory of Bay State and have an interest in the present proceeding as ratepayers. Further, its members have unique experience and knowledge of the Company's operations and of the deleterious effects that the merger and

financial arrangements with Nisource, Inc. have had upon staffing levels, maintenance, operations, and service quality.

6. Local 273 will provide the Department with information that it would not otherwise obtain in this proceeding, and thus will help inform the Department's final determination in this proceeding.
7. Local 273 cannot specify, in advance of hearings, the precise relief it seeks but generally seeks an order that will prohibit Bay State from issuing bonds at above-market costs and requiring it to issue bonds at the most favorable terms that can be obtained.

For the reasons presented above, Local 273 asks the Department to grant its petition to intervene.

Respectfully Submitted,

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